encouraged to process this information in a computing environment that has adequate computer security controls in place to prevent unauthorized access to the information. An ADP system is defined here as a data processing system having the capability of long term storage of SGI–M. Word processors such as typewriters are not subject to the requirements as long as they do not transmit information off-site. (**Note:** if SGI–M is produced on a typewriter, the ribbon must be removed and stored in the same manner as other SGI–M information or media.) The basic objective of these restrictions is to prevent access and retrieval of stored SGI–M by unauthorized individuals, particularly from remote terminals. Specific files containing SGI–M will be password protected to preclude access by an unauthorized individual. The National Institute of Standards and Technology (NIST) maintains a listing of all validated encryption systems at *http://csrc.nist.gov/cryptval/140-1/1401val.htm.* SGI–M files may be transmitted over a network if the file is encrypted. In such cases, the licensee will select a commercially available encryption system that NIST has validated as conforming to Federal Information Processing Standards (FIPS). SGI–M files shall be properly labeled as ''Safeguards Information-Modified Handling'' and saved to removable media and stored in a locked file drawer or cabinet.

### Telecommunications

SGI–M may not be transmitted by unprotected telecommunications circuits except under emergency or extraordinary conditions. For the purpose of this requirement, emergency or extraordinary conditions are defined as any circumstances that require immediate communications in order to report, summon assistance for, or respond to a security event (or an event that has potential security significance).

This restriction applies to telephone, telegraph, teletype, facsimile circuits, and to radio. Routine telephone or radio transmission between site security personnel, or between the site and local police, should be limited to message formats or codes that do not disclose facility security features or response procedures. Similarly, call-ins during transport should not disclose information useful to a potential adversary. Infrequent or non-repetitive telephone conversations regarding a physical security plan or program are permitted provided that the discussion is general in nature.

Individuals should use care when discussing SGI–M at meetings or in the presence of others to insure that the conversation is not overheard by persons not authorized access. Transcripts, tapes or minutes of meetings or hearings that contain SGI–M should be marked and protected in accordance with these requirements.

### Destruction

Documents containing SGI–M should be destroyed when no longer needed. They may be destroyed by tearing into small pieces, burning, shredding or any other method that precludes reconstruction by means available to the public at large. Piece sizes one half inch or smaller composed of several pages or documents and thoroughly mixed would be considered completely destroyed.

[FR Doc. 03–14961 Filed 6–12–03; 8:45 am]

**BILLING CODE 7590–01–P**

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## PENSION BENEFIT GUARANTY CORPORATION

## Pendency of Request for Approval of a Second Amendment to Special Withdrawal Liability Rules for International Longshoremen's and Warehousemen's Union-Pacific Maritime Association Pension Plan

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Notice of pendency of request.

**SUMMARY:** The International Longshoremen's and Warehousemen's Union-Pacific Maritime Association Pension Plan has asked the Pension Benefit Guaranty Corporation (''PBGC'') to review and approve a second amendment to a special withdrawal liability rule that PBGC approved in initial and amended form in 1984 and 1998. See Approval of Special Withdrawal Liability Rules (''Notice of Approval''), 49 FR 6043 (February 16, 1984) and Notice of Approval at 63 FR 27774 (May 20, 1998). Under section 4203(f) of the Employee Retirement Income Security Act of 1974, as amended (''ERISA''), PBGC may prescribe regulations under which plans in industries other than the construction or entertainment industries may be amended to provide for special withdrawal liability rules, and PBGC has prescribed such regulations at 29 CFR Part 4203. The regulations provide that PBGC approval is required for a plan amendment establishing special withdrawal liability rules, as well any modification to a previously approved plan amendment. This notice describes the amendment and invites any interested person to submit written comments about it to PBGC.

**DATES:** Comments must be submitted on or before July 28, 2003.

**ADDRESSES:** Comments may be mailed to the Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005–4026, or delivered to Suite 340 at the same address. Comments also may be sent by Internet e-mail to *reg.comments@pbgc.gov.* The PBGC will make the comments received available on its Web site, *http://www.pbgc.gov.* Copies of the comments and the request for approval may be obtained by writing the PBGC's Communications and Public Affairs Department (CPAD) at Suite 240 at the above address or by visiting or calling CPAD during normal business hours (202–325–4040).

**FOR FURTHER INFORMATION CONTACT:** Gennice D. Brickhouse, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005–4026; 202–326–4020. (For TTY/TDD users, call the Federal Relay Service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4020).

**SUPPLEMENTARY INFORMATION:**

### Background

Under section 4201 of ERISA, an employer that withdraws from a multiemployer pension plan incurs liability for a share of the plan's unfunded vested benefits. Section 4203(a) of ERISA provides that a complete withdrawal from a multiemployer plan occurs if an employer either (1) Permanently ceases to have an obligation to contribute under the plan; or (2) permanently ceases all covered operations under the plan. Section 4205(a)(2) of ERISA states that a partial withdrawal occurs if an employer either: (1) Permanently ceases to have an obligation to contribute under one or more but fewer than all collective bargaining agreements under which the employer has been obligated to contribute under the plan, while continuing to perform work in the jurisdiction of the collective bargaining agreement of the type for which contributions were previously required or transfers such work to another location; or (2) permanently ceases to have an obligation to contribute under the plan for work performed at one or more but fewer than all of its facilities, while continuing to perform work at the facility of the type for which the obligation to contribute ceased. Under section 4205(a)(1), a partial withdrawal will also occur if the employer reduces its contribution base units—the factors that determine plan contributions, such as hours worked by employees—by seventy percent or more for three consecutive plan years.

A complete or partial withdrawal of an employer from a pension plan reduces the plan's contribution base and shifts the burden of funding plan benefits to remaining employers. The increased costs of maintaining the plan will in turn encourage other employers to withdraw, and the cumulative damage to the contribution base may eventually cause the plan to fail. ''Withdrawal liability responds to these concerns by deterring withdrawals and by shoring up the contribution base of a * * * plan when withdrawals nevertheless occur [and] thus protects the interlocking interests of the PBGC, its premium payers, the non-withdrawn employers'' and workers and retirees with vested benefits. *Peick* v. *PBGC*, 539 F.Supp.1025, 1046–47 (N.D.Ill. 1982), affd. 724 F.2d 1247 (7th Cir. 1983). Indeed, ''it would be analytically unsound to adopt an approach'' that allows a withdrawn employer to escape the costs of reparation to the plan's contribution base. *Calvert & Youngblood Coal Co.* v. *UMWA* 1950 Pension Trust, 6 Employee Benefit Cas. (BNA) 1106, 1112 (N.D. Ala. 1985)(Pointer, C.J.).

Congress nevertheless allowed for the possibility that, in certain industries, the fact that particular employers go out of business (or cease operations in a specific geographic region) might not result in permanent damage to the pension plan's contribution base. In the case of the construction industry, for example, the work must necessarily take place at the construction site; if that work generates contributions to the pension plan, it does not much matter which employer performs the work. Put another way, if a construction employer goes out of business, or stops operations in a geographic area, pension plan contributions will not diminish if a second employer who contributes to the plan fills the void. The plan's contribution base is damaged, therefore, only if the employer stops contributing to the plan but continues to perform construction work in the jurisdiction of the collective bargaining agreement.

This reasoning led Congress to adopt a special definition of the term ''withdrawal'' for construction industry plans. Section 4203(b)(2) of ERISA provides that a complete withdrawal occurs only if an employer ceases to have an obligation to contribute under a plan, but the employer nevertheless performs previously covered work in the jurisdiction of the collective bargaining agreement at any time within five years after the employer ceased its contributions.[1] There is a parallel rule for partial withdrawals from construction plans. Under section 4208(d)(1) of ERISA, ''[a]n employer to whom section 4203(b) (relating to the building and construction industry) applies is liable for a partial withdrawal only if the employer's obligation to contribute under the plan is continued for no more than an insubstantial portion of its work in the craft and area jurisdiction of the collective bargaining agreement of the type for which contributions are required.''

Section 4203(f) of ERISA provides that PBGC may prescribe regulations under which plans that are not in the construction industry may be amended to use special withdrawal liability rules similar to those that apply to construction plans. Under the statute, the regulations ''shall permit the use of special withdrawal liability rules * * * only in industries' that PBGC determines share the characteristics of the construction industry. In addition, each plan application must demonstrate that the special rule ''will not pose a significant risk to the [PBGC] insurance system.'' Section 4208(e)(3) of ERISA provides for parallel treatment of partial withdrawal liability rules.

The regulation on Extension of Special Withdrawal Liability Rules (29 CFR Part 4203), prescribes the procedures a multiemployer plan must follow to request PBGC approval of a plan amendment that establishes special complete or partial withdrawal liability rules. Under 29 CFR 4203.3(a), a complete withdrawal rule must be similar to the statutory provision that applies to construction industry plans under section 4203(b) of ERISA. Any special rule for partial withdrawals must be consistent with the construction industry partial withdrawal provisions.

Each request for approval of a plan amendment establishing special withdrawal liability rules must provide PBGC with detailed financial and actuarial data about the plan. In addition, the applicant must provide PBGC with information about the effects of withdrawals on the plan's contribution base. As a practical matter, the plan must demonstrate that the characteristics of employment and labor relations in its industry are sufficiently similar to those in the construction industry that use of the construction rule would be appropriate. Relevant factors include the mobility of the employees, the intermittent nature of the employment, the project-by-project nature of the work, extreme fluctuations in the level of an employer's covered work under the plan, the existence of a consistent pattern of entry and withdrawal by employers, and the local nature of the work performed.

PBGC will approve a special withdrawal liability rule only if a review of the record shows that:

(1) The industry has characteristics that would make use of the special construction withdrawal rules appropriate; and

(2) The plan in question would not be aversely affected by the adoption of the special rule. After review of the application and all public comments, PBGC may approve the amendment in the form proposed by the plan, approve the application subject to conditions or revisions; or deny the application.

## Request For Comments

On March 28, 2003, the International Longshoremen's and Warehousemen's Union-Pacific Maritime Association Pension Plan (''Plan'') asked PBGC to approve a second modification to a previously approved plan amendment that adopted special withdrawal liability rules.[2] The regulation on Extension of Special Withdrawal Liability Rules provides that any interested party may file comments with PBGC about the request. See 29 CFR 4203.5(b).

The remainder of this Notice contains a synopsis of the application and the various legal arguments and factual representations that were submitted in support of the application.

## Applicant

The Plan is a multiemployer plan whose headquarters are in San Francisco, California. The Plan was established in 1951 pursuant to collective bargaining agreements between the International Longshoremen's & Warehousemen's Union (''ILWU'') and the Pacific Maritime Association (''PMA'').

## The PMA

The PMA is an employer association whose principal business is to negotiate and administer maritime labor agreements with ILWU. The PMA is composed of American and foreign flag vessel operators, and stevedore and terminal companies that operate in

[1] Section 4203(c)(1) of ERISA applies a similar definition of complete withdrawal to the entertainment industry, except that the pertinent jurisdiction is the jurisdiction of the plan rather than the jurisdiction of the collective bargaining agreement.

[2] PBGC approved to the original plan amendment in 1984, and the agency approved a revised amendment in 1998. See 49 FR 6043 (1984) and 63 FR 27774 (1998).

California, Oregon and Washington ports.

**The ILWU**

In 1938, the National Labor Relations Board certified the ILWU as the exclusive bargaining representative for a bargaining unit that includes all longshore workers employed by PMA members on the Pacific Coast. See Shipowners' Association of the Pacific Coast, 7 NLRB 1002, 1041 (1938), review dismissed, 103 F.2d 933 (D.C. Cir. 1939), affirmed, 308 U.S. 401 (1940) (certifying the ILWU as the exclusive bargaining representative for ''all workers who do longshore work in the Pacific Coast ports of the United States''). Thus, the PMA–ILWU bargaining agreements cover all workers employed in the loading and unloading of all dry cargo for ocean-going vessels arriving at or departing from ports along the Pacific coast of the United States, including all ports in the states of California, Oregon and Washington.[3]

**The Plan**

The Plan was established in 1951. Plan benefits are established as part of the collective bargaining process. Plan contributions are determined under a system, established in 1983, that governs all fringe benefit costs under the PMA–ILWU agreement. The system allocates assessments between man-hours and tonnage based on a membership agreement filed with the Federal Maritime Commission. The system works as follows. A man-hour rate is established by dividing a divisor that is established by the agreement into the total annual projected cost for all ILWU–PMA benefits. The result is a man-hour rate that is then multiplied by the total hours expected to be worked during the year to determine the amount of the benefits and costs that will be funded by man-hours. The remaining funds are collected from tonnage. To the extent that man-hours are less than the divisor, assessments are collected on tonnage to fund the benefits in an order of priority established by the agreement. The pension benefits have the highest priority on man-hour contributions. Contributions on tonnage would not be used to fund pensions unless the annual assessments on man-hours were insufficient to meet the annual pension funding obligation required by the Internal Revenue Code.

The total number of contributing employers, based on federal tax identification numbers, has remained stable over several decades. There were 100 contributors in 1972, 107 in 1979, 114 in 1996 and 114 in 2002. The contributors in 1996 that remain contributors in 2002 represent over 99% of the total contributions to the Plan.

**Current Financial Status of the Plan**

The Plan operates on a July-June fiscal year. The Form 5500 filed for the 2001–02 plan year reports the Plan covered 10,526 active workers, paid benefits to 4547 pensioners and 3759 survivors, and had only 9 inactive participants (or survivors) with vested entitlements. The Plan received $23.9 million in contributions, and paid out $134 million in benefits, as well as $7.8 million in administrative expenses. At year end, plan assets were approximately $1.943 billion.

Under the current version of the special rule, the Plan actuary must provide the PBGC with annual certifications that at least 85% of the Plan's liabilities for vested benefits (determined using specified set actuarial assumptions) are covered by Plan assets. The certification must also show other information about plan contributions and benefit payments. The following table presents this data for the plan years since the PBGC last considered the withdrawal liability exemption.

| | Plan year ending June 30, 1997 | Plan year ending June 30, 1998 | Plan year ending June 30, 1999 | Plan year ending June 30, 2000 | Plan year ending June 30, 2001 | Plan year ending June 30, 2002 |
|---|---|---|---|---|---|---|
| Assets | $1.63 billion | $1.91 billion | $2.16 billion | $2.40 billion | $2.22 billion | $1.93 billion |
| Vested Benefits | $1.69 billion | $1.66 billion | $1.63 billion | $1.83 billion | $1.99 billion | $1.84 billion |
| Active Participants | 8,315 | 8,859 | 9,572 | 9,395 | 10,070 | 10,113 |
| Contributions | $104 million | $35.0 million | $28.8 million | $32.5 million | $26.9 million | $23.5 million |
| Benefit Payments | $101.5 million | $108.0 million | $110.6 million | $126.4 million | $132.9 million | $154 million |
| Plan Assets As Multiple of Benefits. | 16.1 | 17.7 | 19.6 | 19.0 | 16.6 | 12.5 |

**Future Industry Prospects**

The application lays great emphasis upon the fact that PMA members handled ''virtually all of the over 263 million revenue tons of dry cargo that went through West Coast ports in 2002. It is estimated that this cargo had a value of $320 billion and generated ocean shipping revenues of approximately $14.7 billion.'' The application asserts that the financial health of the Plan ''is not tied to the fortunes of any one member. Rather, Plan contributions are dependent only on the amount of cargo shipped through West Coast ports. The Plan is thus not at risk even if some of its largest employers both cease operations and are not replaced by another contributing employer (which * * * is highly unlikely in any event).

The application reported that ''the West Coast shipping industry has grown steadily over the past five decades. Total dry cargo at all covered ports amounted to 29 million revenue tons in 1960, 114 million revenue tons in 1980, 182 million revenue tons in 1990 and 263 million revenue tons in 2002. This change is reflected in the number of covered hours by ILWU-represented employees. Such hours increased from 15.6 million in 1992 to more than 24 million in 2002.'' Thus, the application contends that the PMA–ILWU ''lock'' on all shipping imports resembles the geographic coverage that is said to typify the construction industry.

The application asserts that ''the mobility of longshore workers is quite similar to that of many construction industry workers. Many West Coast longshore workers do not typically work for the same employer on a regular basis.'' The application uses the payroll system to illustrate the extent of employment mobility. ''[W]ithin a single week,'' the application states, ''a longshore worker often has more than one employer.'' For this reason, ''PMA acts as the payroll agent for all of its members. The employers remit cash wages and collectively bargained-for employee benefit contributions to PMA, which in turn issues weekly payroll checks to ILWU members and transmits contributions to various benefit funds. Because of this system, a worker tends

[3] Vessel operators who are not PMA members must contract with a stevedoring company or terminal operator that belongs to PMA in order to unload cargo.

to regard PMA as his or her employer, and may have little awareness of who is his or her actual employer.''

**Special Withdrawal Liability Rules**

When approving the amended special withdrawal liability rule, PBGC gave the following synopsis of the original special rule.

Under the special rules, a complete withdrawal occurs if an employer who makes contributions to the Plan for longshore work permanently ceases to have an obligation to make contributions to the Plan, and: (1) Continues to perform work of the type for which contributions to the Plan are currently or were previously required at any Pacific Coast port in the United States, (2) resumes such work at any time during the Plan Year in which the contribution obligation ceased through the end of the fifth succeeding Plan Year without renewing the contribution obligation, (3) sells or otherwise transfers a substantial portion of its business or assets to another person that performs longshore work without having an obligation to make contributions to the Plan under the collective bargaining agreements under which the Plan is maintained, or (4) ceases to have an obligation to contribute in connection with the withdrawal of every employer from the Plan or substantially all of the employers within the meaning of section 4219(c)(1)(D) of ERISA. A partial withdrawal occurs if an employer incurs a partial withdrawal within the meaning of section 4205 of ERISA and, in addition, at any time from the date of the partial withdrawal through the succeeding five Plan Years: (1) Performs work of the type for which contributions to the Plan are currently or were previously required at any Pacific Coast port in the United States without having an obligation to contribute to the Plan for such work, or (2) sells or otherwise transfers a substantial portion of its business or assets to another person that performs longshore work without having an obligation to make contributions to the Plan under the collective bargaining agreements under which the Plan is maintained.

The special withdrawal liability rules were subject to the Plan's satisfying certain funding requirements. In 1998, PBGC approved the Plan's request to modify the funding requirements in connection with an amendment adopted by the PMA and the ILWU. The funding requirement, as amended in 1998, is as follows:

PBGC hereby grants the Plan's request for approval of a plan amendment modifying special withdrawal liability rules, as set forth herein. PBGC grants approval under the condition that such approval will expire, and the Plan's special withdrawal liability rules will be void as of the first day of the Plan Year following a Plan Year for which the Plan is not at least eighty-five percent (85%) funded, and during said following Plan Year the Contributions are less than the least of (a) total administrative cost and benefits for said following Plan Year or (b) the amount required to increase the Funding Percentage to eighty-five percent (85%) for said following Plan Year or (c) the maximum tax-deductible contribution to the Plan. The Plan has agreed to certify to these conditions annually. Should the Plan wish to again amend these rules at any time, PBGC approval of the amendment will be required.

**The 2002 Collective Bargaining Agreement**

After protracted disagreements and work stoppages, the PMA and ILWU solicited and obtained the assistance of the Chairman of the Federal Mediation and Conciliation Service in an effort to reach a new labor agreement. With his assistance, the parties reached a six-year labor contract that allows for cost savings due to improvements in technology. The new labor contract provided for a gradual increase in Plan benefits from $95 per month per year of service (for a maximum of 35 years of service) to $150 per month per year of service. The entire labor contract (and not just the increase in pension benefits) is contingent on PBGC approval of the pending request. The application represents that the labor agreement must be renegotiated from scratch in the event PBGC denies the request.

**The Proposed Amendment**

The Plan has requested approval of several amendments to the existing rule. In particular, the Plan seeks to:

(1) Revise certain actuarial assumptions (relating to mortality, disability, marital status, and expected retirement dates) in order to reflect emerging actuarial experience. The Plan does not propose to change other assumptions used for the annual actuarial certification to PBGC.

(2) modify, on a temporary basis, the 85% funding requirement instituted in 1998. The Plan requests that this requirement be lowered to 65% through the end of the plan year ending June 30, 2008. The percentage would then increase by 3% per plan year until it again reaches 85%.

(3) modify, on a temporary basis, the Plan's 80% funding requirement instituted in 1984. That requirement provides for additional contributions as of plan valuation date if the Plan's funded status is projected to fall below 80% in the 5th year following the valuation date. The Plan requests that this requirement be lowered to 65% through the end of the plan year ending June 30, 2008. The percentage funded status requirement would then increase by 3% per plan year until it again reaches 80%.

The Plan acknowledges that the benefit increases promised under the 2002 collective bargaining agreement, combined with ''the disappointing stock market performance in the past few years'' will be likely to cause the Plan to fall below the 85% funding requirement set in the 1998 agreement with the PBGC. This would evidently require substantial contribution increases over the next several years, and these costs would reduce investment needed, among other things, to reduce shipping costs and thereby improve the long-term funding base of the Plan. The PMA and the ILWU jointly posit that this ''temporary reduction'' in the 85% funding requirement ''will help the West Coast ports to obtain long-term benefits that will long outlast the six-year term of the collective bargaining agreement''.

The Plan also maintains that experience from 1984 through the present confirms the accuracy of the PBGC determination that the West Coast shipping industry shares the salient characteristics of a construction plan. In the words of the application:

So long as the work of ILWU members is necessary for the movement of all types of cargo, the contribution base of the Plan rests upon the amount of cargo shipped. The amount of cargo shipped through West Coast ports is independent of the existence of any particular longshore employer.

In addition, like the construction industry, the work is local, performed at the port of embarkation or debarkation. An employer cannot withdraw from the Plan while continuing to perform longshore work at West Coast ports, because longshore work along the entire West Coast for all ocean-going dry cargo work is covered under collective bargaining agreements that require contributions to the Plan. Given that the entire West Coast is one bargaining unit, it is not possible for cargo to be loaded or unloaded at any point on the coast without contributions being paid to the Plan. Thus, as a practical matter, it is not realistic to expect noncontributory, covered work. Nonetheless, if a former contributing employer were to compete against the Plan's other employers in this way, thereby diminishing the Plan's contribution base, withdrawal liability would be imposed pursuant to the special liability rules previously approved by the PBGC. Because of the local nature of the work and the requirement that contributions be made to the Plan for all longshore work done on the West Coast, the comings and goings of employers do not have an adverse effect on the Plan's contribution base, which is dependent upon the vitality of the West Coast shipping industry as a whole. Thus, the covered industry evidences characteristics that indicate that cessations by employers do not have a weakening effect on the Plan's contribution base.

The Plan further contends that past experience and reasonable future projections show that the relaxation of the current rule will not pose an unacceptable risk of loss to PBGC or participants.

The Plan's funded status has improved dramatically since 1984, underscoring the ability of the industry to fund the Plan * * *. And, even though the Plan's funded status will decline for a time once the amendment fully takes effect, the Plan and the covered industry have unique characteristics that suggest that the Plan's contribution base is likely to remain stable * * * [Actuarial projections show that] the Plan's funding policy will return the Plan to 85% funding in a little over ten (10) years * * *. The Plan's continuation is dependent only on the continued activity in the West Coast shipping industry as a whole. Consequently, the Plan's contribution base is secure and the departure of one employer from the Plan is highly unlikely to have an adverse effect on the contribution base so long as the level of shipping does not decline.

## Comments

All interested persons are invited to submit written comments concerning the pending request to PBGC at the above address, on or before July 28, 2003. All comments will be made a part of the record. The PBGC will make the comments received available on its Web site, *http://www.pbgc.gov.* Copies of the comments and the pending request may be obtained by writing the PBGC's Communications and Public Affairs Department (CPAD) at Suite 240 at the above address or by visiting or calling CPAD during normal business hours (202–325–4040).

Issued in Washington, DC, on this 10th day of June 2003.

**Steven A. Kandarian,**

*Executive Director, Pension Benefit Guaranty Corporation.*

[FR Doc. 03–14969 Filed 6–12–03; 8:45 am]

BILLING CODE 7708–01–P

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# PENSION BENEFIT GUARANTY CORPORATION

## Required Interest Rate Assumption for Determining Variable-Rate Premium; Interest Assumptions for Multiemployer Plan Valuations Following Mass Withdrawal

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Notice of interest rates and assumptions.

**SUMMARY:** This notice informs the public of the interest rates and assumptions to be used under certain Pension Benefit Guaranty Corporation regulations. These rates and assumptions are published elsewhere (or can be derived from rates published elsewhere), but are collected and published in this notice for the convenience of the public. Interest rates are also published on the PBGC's Web site (*http://www.pbgc.gov*).

**DATES:** The required interest rate for determining the variable-rate premium under part 4006 applies to premium payment years beginning in June 2003. The interest assumptions for performing multiemployer plan valuations following mass withdrawal under part 4281 apply to valuation dates occurring in July 2003.

**FOR FURTHER INFORMATION CONTACT:** Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202–326–4024. (TTY/TDD users may call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4024.)

**SUPPLEMENTARY INFORMATION:**

### Variable-Rate Premiums

Section 4006(a)(3)(E)(iii)(II) of the Employee Retirement Income Security Act of 1974 (ERISA) and § 4006.4(b)(1) of the PBGC's regulation on Premium Rates (29 CFR part 4006) prescribe use of an assumed interest rate (the ''required interest rate'') in determining a single-employer plan's variable-rate premium. The required interest rate is the ''applicable percentage'' (currently 100 percent) of the annual yield on 30-year Treasury securities for the month preceding the beginning of the plan year for which premiums are being paid (the ''premium payment year''). (Although the Treasury Department has ceased issuing 30-year securities, the Internal Revenue Service announces a surrogate yield figure each month—based on the 30-year Treasury bond maturing in February 2031—which the PBGC uses to determine the required interest rate.)

The required interest rate to be used in determining variable-rate premiums for premium payment years beginning in June 2003 is 4.53 percent.

The following table lists the required interest rates to be used in determining variable-rate premiums for premium payment years beginning between July 2002 and June 2003.

| For premium payment years beginning in— | The required interest rate is— |
|---|---|
| July 2002 | 5.52 |
| August 2002 | 5.39 |
| September 2002 | 5.08 |
| October 2002 | 4.76 |
| November 2002 | 4.93 |
| December 2002 | 4.96 |
| January 2003 | 4.92 |
| February 2003 | 4.94 |
| March 2003 | 4.81 |
| April 2003 | 4.80 |
| May 2003 | 4.90 |
| June 2003 | 4.53 |

### Multiemployer Plan Valuations Following Mass Withdrawal

The PBGC's regulation on Duties of Plan Sponsor Following Mass Withdrawal (29 CFR part 4281) prescribes the use of interest assumptions under the PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044). The interest assumptions applicable to valuation dates in July 2003 under part 4044 are contained in an amendment to part 4044 published elsewhere in today's **Federal Register**. Tables showing the assumptions applicable to prior periods are codified in appendix B to 29 CFR part 4044.

Issued in Washington, DC, on this 9th day of June, 2003.

**Joseph H. Grant,**

*Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation.*

[FR Doc. 03–14953 Filed 6–12–03; 8:45 am]

BILLING CODE 7708–01–P